

JONES WALKER

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March 13, 2003

Hon. James H. Welsh
Commissioner of Conservation
State of Louisiana
P.O. Box 44275
Baton Rouge, LA 70804-4275

RE: **APPLICATION FOR PUBLIC HEARING**
Tex W Zone, Reservoir A, Potash Field, Plaquemines Parish, Louisiana

Gentlemen:

Sundown Energy, Inc. ("Applicant"), through undersigned counsel, hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Tex W Zone, Reservoir A, Potash Field, Plaquemines Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of oil and gas from the Tex W Zone, Reservoir A, Potash Field, Plaquemines Parish, Louisiana.
2. To create a single drilling and production unit for the exploration for and production of oil and gas from the Tex W Zone, Reservoir A, Potash Field, Plaquemines Parish, Louisiana, such unit being shown on the attached plat and being designated as Tex W RA SUA.
3. To pool and integrate all separately owned tracts, mineral leases and other property interest within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate applicant as Operator of, and its Sundown Energy, Inc. - Haspel & Davis No. 2 Well as the unit well, for the proposed unit.
5. To propose that all wells drilled in the future to the Tex W Zone outside the unit proposed herein be located in accordance with the revisions of Statewide Order 29-E.
6. To provide that the Commissioner of Conservation may reclassify the reservoir by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on the evidence furnished to the Commissioner.

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

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L0020258.1

BATON ROUGE LAFAYETTE NEW ORLEANS WASHINGTON, D.C.

Date: March 12, 2003

7. To define the Tex W Zone Reservoir A, Potash Field, Plaquemines Parish, Louisiana as a gas and, condensate bearing zone encountered between the depths of 13,380' and 13,755' in the Pengo Petroleum Orleans Levee Board "B" No. 2 Well located in Section 10, T18S - R15E, Plaquemines Parish, Louisiana.
8. To consider such other matters as may be pertinent.

Pertinent data concerning this application is available for inspection at the offices of Jones Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., 500 Dover Boulevard, Ste. 120, Lafayette, LA 70503. Any person wishing to inspect such data should call the undersigned at 337 406-5610 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from applicant at the expense of the requesting party.

By letters of February 7, 2003 and February 14, 2003, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application with respect to Applicant's proposal was thereafter held beginning at 9:30 AM on March 6, 2003 in New Orleans, Louisiana. Attached is the list of the names and addresses of those persons present at the conference.

On behalf of Applicant, Mr. Robin McGuire explained the purpose of the conference after which Ms. Sherry Graham and Mr. Craig Nielson presented the basis for Applicant's proposal by sufficient detail for those present at the conference to have a reasonable opportunity to discuss the proposal in an attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposal of Applicant. Thereafter, a counter plan was presented on behalf of the Succession of Leoni Davis Rothchild represented by Mr. Charles Smith and Mr. Matthew Randazzo. Said representatives likewise presented the basis for their counter proposal by sufficient detail so those present at the conference would have a reasonable opportunity to discuss said counter proposal in an attempt to resolve any differences in good faith. Thereafter, there was a general question and answer period, and the parties in attendance at the pre-application conference were able to discuss and reach a compromise between Applicant's original unit proposal and that in the counter plan submitted on behalf of the Succession of Leoni Davis Rothchild. Under this compromise, the original unit proposed by Applicant was expanded from 376 ± acres to 400 acres by moving its northwest boundary to the northwest. As a result of this compromise, it is not anticipated that there will be any counter plans at the hearing of this matter. Thereafter, the conference was adjourned.

Attached hereto is a revised plat outlining Applicant's proposed unit, which plat has been revised consistent with the compromise reached at the pre-application conference. Also attached hereto is a list of names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent, pursuant to the Revised Rules of Procedure, such list is being forwarded to the Commissioner of Conservation and to the District Manager of

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Lafayette, Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Potash Field, Plaquemines Parish, Louisiana, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check in the amount of \$700.00 payable to the Commissioner of Conservation for the application fee.

With kindest regards, I am

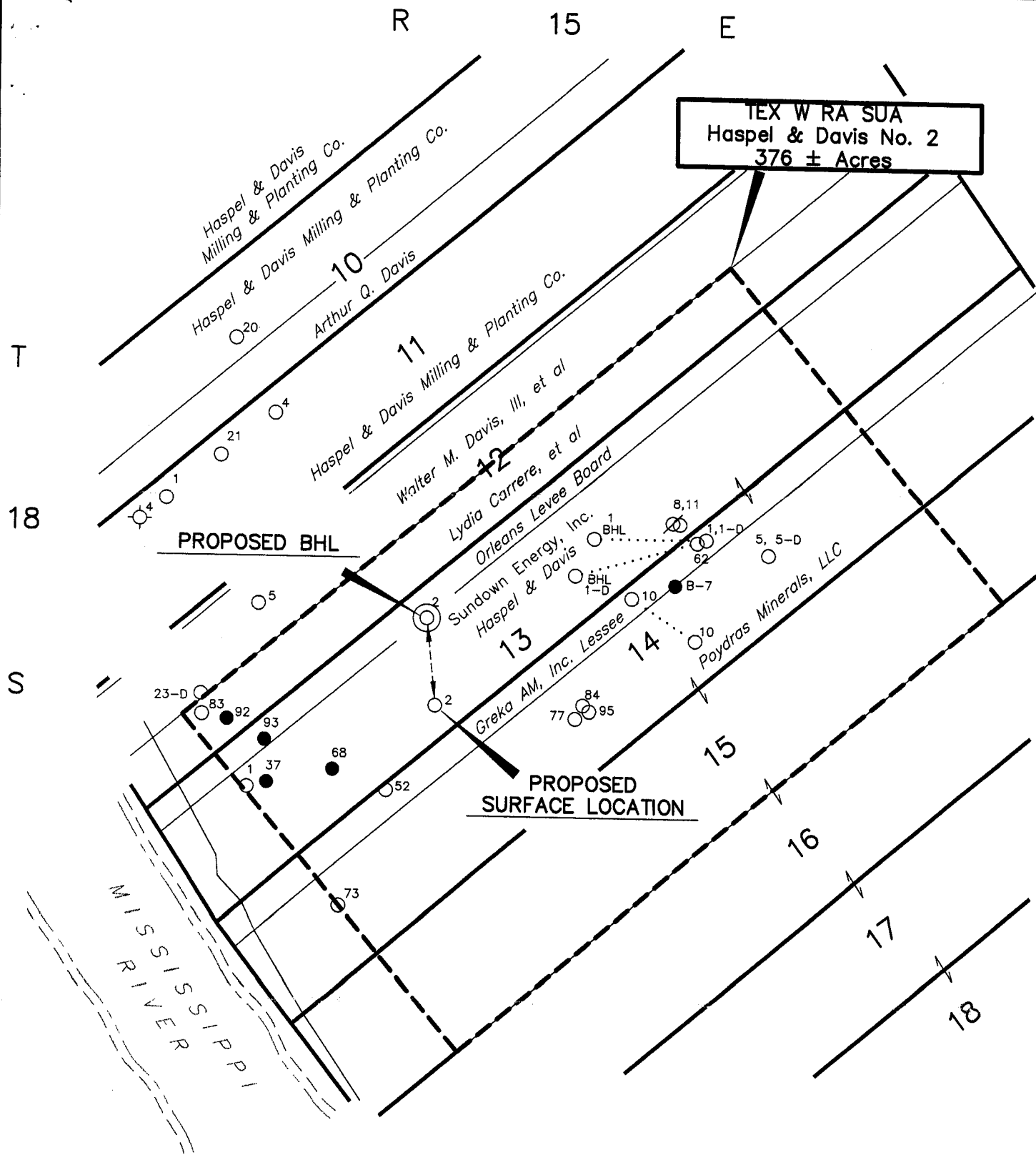
Very truly yours,



Robin D. McGuire

RDM/mlg

cc: Richard D. Hudson, with enclosures
Ms. Sherry Graham, with enclosures
Mr. Craig Nielson, with enclosures
Interested Owners (with plat and list of conference attendees)
Represented Parties (with plat and list of conference attendees)
Interested Parties (with plat and list of conference attendees)



○ - Unit Well
- - - Proposed Unit

EXHIBIT No.	DOCKET No.
SUNDOWN ENERGY, INC.	
POTASH FIELD	
Proposed Unit	
TEX W ZONE	
PLAQUEMINES	PARISH, LOUISIANA
SCALE: 1" = 1,000'	
DATE: NOVEMBER 7, 2002	